

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4469-01
BILL NO.: HB 2057
SUBJECT: Business and Commerce; Consumer Protection
TYPE: Original
DATE: March 10, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator** assume the proposed legislation would have no fiscal impact on their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

The proposed legislation could have a potential fiscal impact on small businesses involved in the computer sales and service industry.

DESCRIPTION

The proposed legislation requires manufacturers to secure an acknowledgment of rights signed by the purchaser of a computer device and to disclose the names of software programs or combinations of programs that will cause or are likely to cause operating problems. The purchaser of a computer device is entitled to effective repairs by the manufacturer for nonconformity during the first 24 months of use, or if there is a warranty or service contract, the longer of that contract or 24 months from the purchase date. The proposal establishes procedures and time frames for notifying the manufacturer of nonconformity, making effective repairs to the computer device guaranteed for 2 years, and second opportunities to repair the computer device. If the second repair is ineffective, the purchaser has the choice of receiving a full refund or a brand new computer device of equal or greater value. Any computer device returned for nonconformity may not be resold in Missouri. The manufacturer must retain records, including contracts and communications with purchasers, and maintain a list by serial number of all refunds or replacements. The proposal authorizes an action by the purchaser to recover damages in addition to a refund or replacement and pursue available remedies; entitles a prevailing purchaser to additional damages; and requires the manufacturer to pay the prevailing purchaser's attorney fees, costs, and expert expenses, regardless of the cost of the computer device. The

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DESCRIPTION (continued)

purchaser may not waive any of the proposal's provisions, which will apply to all computer devices purchased, leased, or delivered to a purchaser after August 28, 2000. Violations of the proposal's provisions constitute unlawful merchandising practices with remedies available in current law.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Courts Administrator

NOT RESPONDING: Office of the Attorney General

A handwritten signature in black ink, appearing to read "Jeanne Jarrett".

Jeanne Jarrett, CPA
Director
March 10, 2000